

VZCZCXR08273
PP RUEHBC RUEHDE RUEHIHL RUEHKUK
DE RUEHKU #4512/01 3291155

ZNY SSSS ZZH
P 251155Z NOV 06
FM AMEMBASSY KUWAIT
TO RUEHC/SECSTATE WASHDC PRIORITY 7692
INFO RUCNRAQ/IRAQ COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

S E C R E T SECTION 01 OF 03 KUWAIT 004512

SIPDIS

NOFORN
SIPDIS

STATE FOR NEA/I AND NEA/ARP, NSC FOR RAMCHAND

E.O. 12958: DECL: 11/24/2016

TAGS: PTER PREL PGOV EFIN YM KU

SUBJECT: APHSCT TOWNSEND'S 11/14 MEETINGS WITH THE AMIR AND FOREIGN MINISTER OF KUWAIT

Classified By: Charge d'Affaires Matt Tueller for reasons 1.4 (b) and (d)

¶1. (S/NF) Summary: APHSCT Frances Fragos Townsend met November 14 with the Amir and Foreign Minister of Kuwait to discuss counterterrorism cooperation, energy security, and other regional issues. Townsend reassured them that the President was committed to seeing a democratic, stable Iraq and was open to discussing tactical changes, but clearly rejected a timetable for the withdrawal of U.S. troops. Both the Amir and Foreign Minister expressed concern about instability and weapons trafficking in Yemen and reported that Kuwait would give \$200 million in development assistance to Yemen. The Amir was strongly opposed to Yemen's admission to the Gulf Cooperation Council (GCC). Townsend raised U.S. concerns about regulation of Islamic charities, specifically the Revival of Islamic Heritage Society (RIHS). The Foreign Minister reported that both the Bangladeshi and Bosnian governments had told Kuwait RIHS was "doing a great job" in their countries, but agreed on the need to counter "even the impression of wrongdoing."

¶2. (S/NF) Townsend also encouraged the Kuwaiti government (GOK) to fully implement international standards to regulate cash couriers and work with other GCC countries to adopt a uniform regulatory system. The Foreign Minister said Gulf countries were "very worried" about the possibility of any security dialogue with Iran without GCC participation and input, and stressed the importance of international solidarity in confronting Iran's nuclear ambitions. He also urged the U.S. to "immediately embrace" a Palestinian national unity government should one emerge. The Foreign Minister reiterated Kuwait's support for Lebanese Prime Minister's Siniora's government and argued that the current "confusion" in the region presented "a hell of an opportunity to do something good." Both the Amir and Foreign Minister said Kuwait would welcome U.S. assistance on improving security at the country's oil installations. End Summary.

Worries about U.S. Policy Change on Iraq

¶3. (S/NF) Assistant to the President for Homeland Security and Counterterrorism (APHSCT) Frances Fragos Townsend met November 14 with Amir Shaykh Sabah Al-Ahmed Al-Sabah and Foreign Minister Shaykh Dr. Mohammed Al-Salem Al-Sabah. Both asked about the impact of the recent U.S. elections on the President's strategy in Iraq. Townsend stressed that the President is committed to seeing a democratic, stable Iraq and was open to discussing tactical changes, but clearly rejected calls for a timetable. The Foreign Minister noted that "people here are very worried about a

change in Washington's (Iraq) policy" and asked that the U.S. share details of the Baker report with Kuwait when it is completed. "Don't let the media confuse your allies," he said. Townsend said she understood the need for clear and accurate information from the U.S.

¶4. (S/NF) The Amir said he was "very disturbed" by reports on the killings taking place daily in Baghdad and asked rhetorically, "Who are these people and why are they killing their own people?" He encouraged the U.S. to redeploy its troops outside the cities in Iraq and to strengthen the Iraqi army and police, giving them more responsibility for security. "Iraqis need to feel the presence of a strong army," he said. The Amir expressed hope that "the new strategy being discussed in the U.S. will bring security (to Iraq)," but acknowledged that "this will take a long time."

Concerns about Instability in Yemen and Somalia

¶5. (S/NF) The Foreign Minister told Townsend he would attend a Yemen donors' conference in London later that week and reported that Kuwait would give \$200 million in development assistance. (Note: On November 16, Kuwait announced publicly at the conference that it would give \$200 million in the form of a concessional loan to Yemen. End note.) Despite Kuwait's historically troubled relations with Yemen, particularly President Saleh's support for Saddam Hussein's invasion of Kuwait, Shaykh Dr. Mohammed said "we see the country sliding in a negative direction and are compelled to do something. We can't afford to have a failed state on our borders." The Foreign Minister asked if the U.S. intended to give money to Yemen

KUWAIT 00004512 002 OF 003

to help it fund its \$6 billion development plan. Townsend said the U.S. was "very worried" about the situation in Yemen, particularly increased weapons' trafficking, and pointed out that the U.S. had historically provided substantial aid to Yemen. She cautioned that Arab aid should "come with strings attached" and advised that measures should be put in place to ensure the money was being used for the intended purposes.

¶6. (S/NF) The Amir said he had strongly opposed the Saudis' and Qataris' calls for Yemen to be included in the GCC and even threatened to withdraw Kuwait from the organization if Yemen was admitted. "This would be against the GCC charter," which stipulates that only "emirates and kingdoms" can be members of the organization, he explained. Despite this opposition to Yemen's GCC membership bid, the Amir said Kuwait cooperated closely with the Yemeni government on health care, education, and economic development. Like the Foreign Minister, he said that Kuwait would give Yemen a \$200 million loan through the Kuwait Fund for Arab Economic Development (KFAED). He emphasized, though, that Kuwait would not/not give Yemen any grants. The Amir said he hoped this aid would "help stabilize the situation in Yemen" and prevent weapons smuggling.

¶7. (S/NF) Townsend also expressed concern about the situation in Somalia. The Foreign Minister reported that Somali political factions had asked Kuwait to mediate between them, but said the rise of the Islamic Courts Union had "complicated the situation." "We have to be very careful now," he added.

Regulation of Islamic Charities and Cash Couriers

¶8. (S/NF) Townsend raised U.S. concerns with the activities of the Revival of Islamic Heritage Society (RIHS), a Kuwait-based Islamic charity, and reported that the Treasury Department was preparing to seek a UN

designation of the organization's Bangladeshi, Bosnian, and Albanian branches. She said the U.S. wanted to work with Kuwait to ensure these charities were not misused to support terrorist activities and asked that "you work with us to move forward in addressing these issues." The Foreign Minister stressed that Kuwait was "a very enthusiastic partner in fighting terrorism, especially in regulating charities." He claimed this seriousness was shared by GOK officials responsible for overseeing charity work and the leadership of RIHS. According to him, the Bangladeshi government told Kuwait RIHS was "doing a great job" in Bangladesh and they had "no evidence of wrongdoing." He said the GOK received a similar report from the Bosnian government, but acknowledged that "we need to fight even the impression of wrongdoing." Townsend reiterated the importance of addressing this issue.

¶9. (S/NF) Townsend urged Kuwait to fully implement international standards to regulate cash couriers and to continue working with other GCC countries to adopt uniform financial controls and regulations, noting that terrorists rely heavily on international financial systems. She also asked for Kuwait's help in convincing European countries on the need to designate Hizballah as a terrorist organization and to prevent Iranian financial systems from being used to support terrorism and nuclear proliferation. The Foreign Minister agreed that the International Community needed to shoulder more responsibility.

Kuwait Worried about Security Dialogue with Iran

¶10. (S/NF) The Foreign Minister said that "perhaps even more worrying (than a change in U.S. policy towards Iraq) are calls (in the U.S.) for a dialogue with Syria and Iran, especially Iran." Noting a recently-leaked report indicating the Europeans had offered to discuss regional security arrangements with Iran as part of a deal on the nuclear program, he stressed that "any discussion with Iran on regional security without our participation worries us very much." Asked about the extent of potential U.S. talks with Iran, Townsend emphasized that the U.S. had clearly laid out the preconditions for talks with Iran on its nuclear program, but said the U.S. supported the Iraqi government's technical dialogue with Iran on mutual security concerns.

KUWAIT 00004512 003 OF 003

¶11. (S/NF) Shaykh Dr. Mohammed said Iran's support to "radicals" and its nuclear program remained serious concerns. He said the GOK had difficulty understanding why Russia did not exert more pressure on Iran to comply with its Non-Proliferation Treaty obligations. He believed Iran represented more of a threat to Russia than Kuwait, explaining that Iran could already devastate Kuwait with its conventional capabilities; nuclear weapons would not significantly increase the threat. Shaykh Dr. Mohammed said he conveyed Kuwait's concerns to the Russian Foreign Minister during his visit to Kuwait in October, and asked him to reconsider providing Russian nuclear fuel to Iran and to pressure Iran to "come clean."

¶12. (S/NF) Shaykh Dr. Mohammed stressed the importance of international solidarity in confronting Iran's nuclear ambitions, arguing that this would "bring maximum pressure to bear" on the Iranian regime. He added, though, that "the burden of confronting Iranian behavior should not/not be disproportionately placed on the shoulders of the Gulf Cooperation Council (GCC)." He continued: "We don't understand how the European Union can be concerned with Iran's nuclear program, but not its support for terrorism." Townsend agreed that confronting Iran was an international responsibility and urged GCC countries to

exert more pressure on the Europeans to prevent their financial systems from being used to fund terrorism and nuclear proliferation.

U.S. Must Reward a Palestinian National Unity Government

¶13. (S/NF) The Foreign Minister expressed hope that Secretary Rice would maintain the enthusiasm on pursuing a

SIPDIS

two-state solution to the Israeli-Palestinian conflict she showed at the recent GCC 2 meeting in Cairo. He said Kuwait was "trying very hard to pressure the Palestinians to form a national unity government," and urged the U.S. to reward such a government with an "immediate gesture" of support to demonstrate that this was a move in the right direction. "Don't give Hamas and the radicals a pretext to say the U.S. is not serious (about the Middle East peace process)," he said. Townsend assured the Foreign Minister of the President's continued commitment to reaching a two-state solution and expressed cautious optimism about the prospects for a national unity government.

"A Hell of an Opportunity" in Lebanon

¶14. (S/NF) Shaykh Dr. Mohammed was more pessimistic about the political situation in Lebanon. While he "(did) not expect a civil war or a showdown on the streets of Beirut," he said Hizballah had achieved its primary objective by casting doubt on the legitimacy of Prime Minister Siniora's government. Noting the GOK's \$800 million in aid to Lebanon, the Foreign Minister reiterated Kuwait's commitment to PM Siniora's government. Townsend said the U.S. was increasingly concerned about Syrian interference in Lebanon, citing the recent Cabinet resignations as an example. The Foreign Minister stressed that "now is a hell of an opportunity for us to do something good (in Lebanon and the region as a whole). If we fail, the bad guys will have their day."

Kuwait Welcomes Energy Security Assistance

¶15. (S/NF) Townsend emphasized that "the threat to oil infrastructure is very real" and offered U.S. assistance on improving security at vital oil installations in Kuwait. The Foreign Minister believed "we have things under control," but said Kuwait could "use your advice if improvements can be made. We must be ready to improvise depending on the nature of the threat." The Amir similarly welcomed cooperation with the U.S. on energy security.

For more reporting from Embassy Kuwait, visit:
<http://www.state.sgov.gov/p/nea/kuwait/?cable>

Visit Kuwait's Classified Website:
<http://www.state.sgov.gov/p/nea/kuwait/>

Tueller